

~~SECRET~~

28 April 1971

MEMORANDUM FOR THE RECORD

SUBJECT : Transfer of Employer Contributions

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1. [REDACTED] C&TD, informed me today that he was ready to transfer employer contributions from CIARDS to Civil Service Commission for two CIARDS participants who have transferred to the Civil Service System subsequent to 1 January 1971, the effective date of the new law authorizing transfer of employer contributions between retirement systems. I affirmed to [REDACTED] that he should proceed with the transfer. He had informed me earlier that the Civil Service Commission had commenced transferring employer contributions to CIARDS for employees who have transferred from the Civil Service System to the CIA system subsequent to 1 January 1971.

2. Until the question of the retroactivity of the new law is resolved, we expect to receive no transfers from the Civil Service Commission of employer contributions for employees who transferred to the CIA system prior to 1 January 1971. For this reason and until the question is resolved, transfers by the Agency to Civil Service Commission of employer contributions for employees returning to the Civil Service System subsequent to 1 January 1971 will not apply to employee service prior to the date of initial participation in CIARDS.

3. The Agency will follow the same methodology in compounding interest on employer contributions as is followed by the Civil Service Commission. At such future date, however, as transfers to CSC include lump sum employer contributions with interest previously transferred from CSC, interest will be compounded on such amounts only from date of receipt by CIARDS.

4. If the retroactivity question eventually results in transfers by CSC of employer contributions for employees transferring to the CIA system prior to 1 January 1971, it should be recognized that the transfers will:

- a. be limited to service prior to the effective date of an employee's transfer to CIARDS
- b. be adjusted presumably to exclude employer contributions for CIARDS participants who have returned to the CSC system; as an alternative, transfers could be made on a "gross" basis for all employees on the basis of an initial transfer to the CIA system with CIARDS to be responsible for returning employer contributions received for participants in the CIA system who have returned to the CSC system either before or after 1 January 1971.

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[REDACTED]
Chief, Policy and Planning Staff

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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE

Remarks:

Re: ① Fibr (CIAP) Funding

② Call me copy & attached sent to [REDACTED] OGC?

↓ No, but copy of ours was sent to JSW.

FOLD HERE TO RETURN TO SENDER	
FROM: NAME, ADDRESS AND PHONE NO.	DATE
Policy and Planning Staff 615 Office of Finance [REDACTED] Key Bldg.	6 May 71
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